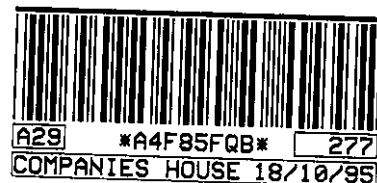


ARTHUR
ANDERSEN

ARTHUR ANDERSEN & CO. SC

Company Number: 149075

CADBURY BEVERAGES LIMITED
ANNUAL REPORT AND ACCOUNTS - 1994



CADBURY BEVERAGES LIMITED

BOARD OF DIRECTORS:

J Bird
J W Chandler
R E Little
K R Pratt
R D Stern

SECRETARY:

R D Stern

REGISTERED OFFICE:

25 Berkeley Square
LONDON W1X 6HT

AUDITORS:

Arthur Andersen
Chartered Accountants
1 Surrey Street
LONDON
WC2R 2PS

CADBURY BEVERAGES LIMITED

DIRECTORS' REPORT

The Directors present their report together with the audited accounts of the Company for the 52 weeks ended 31 December 1994 (the "year").

REVIEW OF THE BUSINESS

The Company's immediate and ultimate parent company is Cadbury Schweppes plc.

The principal activities of the Company throughout the year were the sale under licence of Schweppes branded soft drink products, and the provision of management services to a fellow member of the Cadbury Schweppes Group.

RESULTS AND DIVIDENDS

The profit on ordinary activities for the year after taxation was £167,000 (1993 - £405,000).

The Directors do not recommend the payment of a dividend (1993 - £Nil).

FUTURE DEVELOPMENTS

The Company will continue to provide and develop its services.

FIXED ASSETS

The movements in tangible fixed assets are set out in note 11 to the accounts.

CADBURY BEVERAGES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The Directors at the date of this report are as stated on page 1.

All Directors held office throughout the year with the exception of J W Chandler and K R Pratt who were appointed on 11 March 1994 and 12 July 1994 respectively. M W Litobarski and M J Reckitt were appointed on 11 March 1994 and resigned on 25 June 1994. C A J Van Steenbergren resigned on 25 June 1994.

The interests of the Directors in the share capital of Cadbury Schweppes plc were as follows:

<u>Ordinary shares of 25p each</u>	<u>2 January 1994</u> (or date of appointment if later)	<u>31 December 1994</u>
J Bird	1,450	16,162
R E Little	4,535	5,358

The following Directors have been granted options under the Cadbury Schweppes Savings-Related Share Option Scheme 1982 over the following ordinary shares of 25p each:

	<u>2 January 1994</u> (or date of appointment if later)	<u>Granted</u> <u>during year</u>	<u>Exercised</u> <u>during year</u>	<u>31 December 1994</u>
J Bird	6,963	-	-	6,963
R E Little	7,013	-	649	6,364
K R Pratt	756	1,887	-	2,643
R D Stern	5,454	641	-	6,095

The following Directors have been granted options under the Cadbury Schweppes plc Share Option Scheme 1984 for Main Board Directors and Senior Executives:

	<u>2 January 1994</u> (or date of appointment if later)	<u>Granted</u> <u>during year</u>	<u>Exercised</u> <u>during year</u>	<u>31 December 1994</u>
J Bird	63,733	-	28,428	35,305
J W Chandler	16,122	-	-	16,122
R E Little	14,166	-	-	14,166
K R Pratt	15,121	-	-	15,121
R D Stern	12,106	-	-	12,106

The following Directors have been granted options under the Cadbury Schweppes plc Share Option Plan 1994 :

	<u>2 January 1994</u> (or date of appointment if later)	<u>Granted</u> <u>during year</u>	<u>Exercised</u> <u>during year</u>	<u>31 December 1994</u>
J Bird	-	16,000	-	16,000
J W Chandler	-	10,000	-	10,000
R E Little	-	3,000	-	3,000
K R Pratt	-	10,000	-	10,000
R D Stern	-	6,000	-	6,000

CADBURY BEVERAGES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

The following Directors have been granted options under the Cadbury Schweppes plc Share Option Scheme 1986 for Senior Management Overseas :

	<u>2 January 1994</u>	<u>Granted during year</u>	<u>Exercised during year</u>	<u>31 December 1994</u>
J W Chandler	7,106	-	-	7,106

In respect of share options granted, for each of the above mentioned schemes, the range of exercise prices and the dates until which the options are exercisable are shown in the Annual Report of Cadbury Schweppes plc.

None of the Directors had any beneficial interest in the other securities of Cadbury Schweppes plc, or the Company, or any other subsidiary of Cadbury Schweppes plc at any time during the year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Cadbury Schweppes plc has maintained insurance to cover Directors' and Officers' liability as defined by S.310 (3) (a) of the Companies Act 1985.

DISABLED EMPLOYEES

The Company always carefully considers an application for employment by any registered disabled person. If an employee becomes disabled it is standard practice to offer an alternative job in all but the most extreme circumstances and to provide retraining where necessary. The Company's training, development and promotion policies provide for equal opportunities for minority groups, including the disabled.

EMPLOYEE INVOLVEMENT

The policy of informing and consulting with employees has continued by means of regular newsletters and employees are encouraged to present their views and suggestions in respect of the Company's performance. Employees are also eligible to participate in the Group SAYE scheme, with options to purchase shares in the ultimate holding company after a period of regular savings as defined under the terms of the scheme.

CADBURY BEVERAGES LIMITED

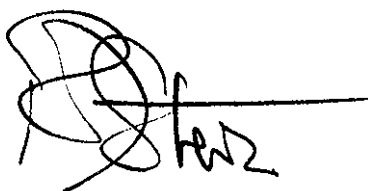
DIRECTORS' REPORT (continued)

AUDITORS

The auditors, Arthur Andersen, are willing to continue in office. A resolution for their re-appointment and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

R D Stern
Secretary
25 Berkeley Square
LONDON W1X 6HT

A handwritten signature in black ink, appearing to be 'R D Stern', written over a horizontal line.

8 March 1995

RESPONSIBILITIES OF DIRECTORS

The Directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. For this purpose it is necessary to make both judgements and estimates and this is done on a reasonable and prudent basis.

In preparing the financial statements suitable accounting policies have been used and applied consistently, the principals of which are set out on pages 10 and 11. Applicable accounting standards have been followed. The Directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

To the shareholders of **CADBURY BEVERAGES LIMITED**

We have audited the accounts on pages 7 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
1 Surrey Street
LONDON
WC2R 2PS

8 March 1995

CADBURY BEVERAGES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
TURNOVER	4	16,238	12,415
Cost of Sales		(13,661)	(11,007)
GROSS PROFIT		<u>2,577</u>	<u>1,408</u>
Operating expenses		(2,071)	(509)
OPERATING PROFIT	5	<u>506</u>	<u>899</u>
Interest receivable	8	75	72
Interest payable and similar charges	9	(406)	(354)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>175</u>	<u>617</u>
Tax on profit on ordinary activities	10	(8)	(212)
PROFIT RETAINED FOR THE YEAR		<u>167</u> =====	<u>405</u> =====

The accompanying notes form an integral part of this profit and loss account.

CADBURY BEVERAGES LIMITED

RECOGNISED GAINS AND LOSSES AND MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES:		
Profit for the financial year, being total recognised gains and losses	167 =====	405 =====
 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:		
Total recognised gains and losses (as above)	167 -----	405 -----
Net increase in shareholders' funds	167	405
Shareholders' funds at the beginning of the year	118	(287)
Shareholders' funds at the end of the year	285 =====	118 =====
 NOTE ON HISTORICAL COST PROFITS AND LOSSES:		
Profit on ordinary activities before taxation	175 =====	617 =====
Historical cost profit on ordinary activities before taxation	175 =====	617 =====
Historical cost profit before taxation attributable to ordinary shareholders	175 =====	617 =====

CADBURY BEVERAGES LIMITED
BALANCE SHEET - 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
FIXED ASSETS			
Tangible assets	11	2,613	2,389
CURRENT ASSETS			
Stocks	12	396	622
Debtors	13	12,091	13,434
Cash at bank and in hand		2,036	1,914
		14,523	15,970
PREPAYMENTS AND ACCRUED INCOME	14	487	1,355
CREDITORS			
Amounts falling due within one year	16	(16,633)	(18,914)
NET CURRENT LIABILITIES		(1,623)	(1,589)
TOTAL ASSETS LESS CURRENT LIABILITIES		990	800
PROVISIONS FOR LIABILITIES AND CHARGES	17	(705)	(682)
NET ASSETS		285	118
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Retained profit		285	118
TOTAL CAPITAL EMPLOYED		285	118
SIGNED ON BEHALF OF THE BOARD			

R.E. Little

R E Little, Director
8 March 1995

The accompanying notes form an integral part of this balance sheet.

CADBURY BEVERAGES LIMITED

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES:

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) *Basis of Accounting*

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards.

b) *Financial Year*

The annual accounts are made up to the Saturday nearest to 31 December. Periodically this results in a financial year of 53 weeks.

c) *Cashflow Statement*

In accordance with the provisions of Financial Reporting Standard No 1, the Company has not prepared a cashflow statement because its parent company, Cadbury Schweppes plc, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the Company for the financial year and which contain a cashflow statement.

d) *Foreign Currencies*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date, except in the case of third party transactions carried forward where rates fixed in the contracts are used. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates ruling at the date of the transaction, or where appropriate at the rate of exchange in a related forward exchange contract. Exchange differences are taken to the profit and loss account.

e) *Turnover*

Turnover represents the invoiced value of sales (net of trade discounts), excluding Value Added Tax.

CADBURY BEVERAGES LIMITED

NOTES ON THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

f) *Deferred Taxation*

Deferred taxation is calculated by the liability method and is provided in respect of timing differences, which in the opinion of the directors will probably reverse, at the rates of taxation likely to be in force at the time of reversal.

g) *Tangible Fixed Assets*

Tangible fixed assets are shown at cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Leasehold improvements	4% per annum
Fixtures & fittings	10% per annum
Office equipment	20% per annum
Computer equipment	33% per annum

h) *Stocks*

Stocks are valued at the lower of cost and estimated net realisable value. Cost includes all expenditure incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price, less future costs expected to be incurred to disposal.

i) *Pensions*

The costs of providing pensions and other termination benefits are charged to the profit and loss account on a consistent basis over the service lives of employees. Such costs are calculated by reference to actuarial valuations and variations from such regular costs are spread over the remaining service lives of the current employees. To the extent to which such costs do not equate with cash contributions a provision is recognised in the balance sheet.

j) *Leases*

No assets are held under finance leases. All leases are operating leases and the relevant annual rentals are charged wholly to the profit and loss account.

CADBURY BEVERAGES LIMITED

NOTES ON THE ACCOUNTS (continued)

2. ACCOUNTS:

The profit and loss account covers the 52 weeks from 2 January 1994 to 31 December 1994 and the 52 weeks from 3 January 1993 to 1 January 1994. The balance sheets have been drawn up at 31 December 1994 and 1 January 1994 respectively.

3. ULTIMATE HOLDING COMPANY:

The Company's ultimate holding company is Cadbury Schweppes plc, registered in England and Wales. Copies of the Group Financial Statements of Cadbury Schweppes plc are available from 25 Berkeley Square, London W1X 6HT.

4. TURNOVER:

An analysis of turnover by geographical market is given below:

	<u>Turnover</u>	
	1994	1993
	<u>£000</u>	<u>£000</u>
United Kingdom	4,424	4,766
Europe	11,607	7,606
Pacific Rim	159	43
Africa & others	48	-
	<u>16,238</u>	<u>12,415</u>
	=====	=====

5. OPERATING PROFIT:

Operating Profit is after charging/(crediting):

	1994	1993
	<u>£000</u>	<u>£000</u>
Depreciation on owned assets	409	399
Hire of plant and equipment - operating leases	347	358
Auditors' remuneration - audit fees	90	81
- non-audit fees	2	23
Release of Provision (Note 17)	-	(200)
	=====	=====

CADBURY BEVERAGES LIMITED
NOTES ON THE ACCOUNTS (continued)

6. DIRECTORS' REMUNERATION:

Directors' emoluments of £571,000 (1993 - £557,000) were paid in respect of Directors of the Company. The Directors' emoluments shown above (excluding pensions and pension contributions) included:

	1994	1993
	<u>£000</u>	<u>£000</u>
Emoluments of the highest paid Director	132	139
	=====	=====

Directors received emoluments (excluding pensions and pension contributions) in the following ranges:

	1994	1993
	<u>Number</u>	<u>Number</u>
£30,001 - £35,000	1	-
£35,001 - £40,000	2	-
£55,001 - £60,000	-	1
£60,001 - £65,000	1	1
£65,001 - £70,000	1	-
£75,001 - £80,000	1	-
£120,001 - £125,000	1	1
£130,001 - £135,000	1	-
£135,001 - £140,000	-	2

7. EMPLOYEES AND EMOLUMENTS:

Particulars of employees' emoluments (including executive Directors) are shown below:

	1994	1993
	<u>£000</u>	<u>£000</u>
Wages and salaries	6,748	5,912
Social security costs	547	456
Other pension costs	553	768
	-----	-----
	7,848	7,136
	=====	=====

CADBURY BEVERAGES LIMITED
NOTES ON THE ACCOUNTS (continued)

7. EMPLOYEES AND EMOLUMENTS (continued)

The average number of employees (including Directors) employed by the Company in administration and selling was:

1994	1993
<u>Number</u>	<u>Number</u>
124	127
=====	=====

8. INTEREST RECEIVABLE:

1994	1993
<u>£000</u>	<u>£000</u>

Bank interest receivable	75	72
	=====	=====

9. INTEREST PAYABLE AND SIMILAR CHARGES:

1994	1993
<u>£000</u>	<u>£000</u>

Inter-company interest payable	341	297
Bank overdrafts	3	18
Other	62	39
	-----	-----
	406	354
	=====	=====

10. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The tax charge is based on the profit for the year and comprises:

	1994	1993
	<u>£000</u>	<u>£000</u>
Corporation tax:		
current year at 33% (1993 - 33%)	46	211
adjustment in respect of prior years	(30)	(8)
Deferred tax:		
in respect of short-term timing differences	(8)	9
	-----	-----
	8	212
	=====	=====

CADBURY BEVERAGES LIMITED
NOTES ON THE ACCOUNTS (continued)

11. TANGIBLE FIXED ASSETS:

The movement in fixed assets in the year was as follows:

	Leasehold Improvements <u>£000</u>	Plant & Equipment <u>£000</u>	Total <u>£000</u>
COST:			
At beginning of year	1,374	2,124	3,498
Additions	-	641	641
Disposals	-	(17)	(17)
	-----	-----	-----
At end of year	1,374	2,748	4,122
	=====	=====	=====
DEPRECIATION:			
At beginning of year	180	929	1,109
Charge for year	55	354	409
Disposals	-	(9)	(9)
	-----	-----	-----
At end of year	235	1,274	1,509
	=====	=====	=====
NET BOOK VALUE:			
At end of year	1,139	1,474	2,613
	=====	=====	=====
At beginning of year	1,194	1,195	2,389
	=====	=====	=====

12. STOCKS:

	1994 <u>£000</u>	1993 <u>£000</u>
Raw materials and consumables	29	-
Finished goods and goods for resale	367	622
	-----	-----
	396	622
	=====	=====

The estimated replacement cost of stocks as at 31 December 1994 is not materially different from their balance sheet value.

CADBURY BEVERAGES LIMITED
NOTES ON THE ACCOUNTS (continued)

13. DEBTORS:

	1994	1993
	<u>£000</u>	<u>£000</u>
Trade debtors	4,057	1,949
Amounts owed by other Group undertakings	5,764	9,299
Other debtors	1,184	1,264
UK corporation tax receivable	1,086	922
	-----	-----
	12,091	13,434
	=====	=====

All amounts are receivable within one year.

14. PREPAYMENTS AND ACCRUED INCOME:

	1994	1993
	<u>£000</u>	<u>£000</u>
Prepayments	254	1,130
Deferred Taxation (Note 15)	233	225
	-----	-----
	487	1,355
	=====	=====

15. DEFERRED TAXATION:

	1994	1993
	<u>£000</u>	<u>£000</u>
Deferred taxation at beginning of year	225	234
Current year charge	8	(9)
	-----	-----
Deferred taxation at end of year	233	225
	=====	=====

The deferred tax asset relates to the pension provision accruing due to the surplus on the pension fund.

No deferred tax has been provided on the excess of capital allowances over depreciation as Cadbury Schweppes plc has undertaken to surrender group relief free of charge to the Company in order to eliminate any tax liability arising from any net reversal of these timing differences. The full liability for deferred tax not provided in the accounts is £147,000 (1993 - £121,000).

CADBURY BEVERAGES LIMITED
NOTES ON THE ACCOUNTS (continued)

16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:	1994 £000	1993 £000
Bank overdraft	5	-
Trade creditors	207	394
Amounts owed to other Group undertakings	9,781	12,912
VAT	205	603
Accruals and deferred income	6,435	5,005
	<u>16,633</u>	<u>18,914</u>
	=====	=====

17. PROVISIONS FOR LIABILITIES AND CHARGES:

Provisions for liabilities and charges comprise:

	1994 £000	1993 £000
Reorganisation costs:		
Provision at beginning of year	38	262
Amounts utilised	(38)	(24)
Amounts released during the year	-	(200)
	<u>-</u>	<u>38</u>
Provision at end of year	-	38
Pension provision (Note 19)	705	644
	<u>705</u>	<u>682</u>
	=====	=====

18. CALLED UP SHARE CAPITAL:	1994	1993
Authorised:		
10,000 ordinary shares of £1 each	£10,000	£10,000
	=====	=====
Allotted, called up and fully paid:		
Five ordinary shares of £1 each	£5	£5
	=====	=====

19. PENSION ARRANGEMENTS:

The Company is a member of the Cadbury Schweppes group of companies which operates group pension schemes for its UK subsidiaries.

The major scheme is the Cadbury Schweppes Pension Fund for which the last full valuation was carried out as at 5 April 1993 on the projected unit method. At this date the market value of the assets was £736m and the level of funding on an actuarial basis was 110%.

CADBURY BEVERAGES LIMITED
NOTES ON THE ACCOUNTS (continued)

19. PENSION ARRANGEMENTS (continued)

The principal assumptions on average were that the rate of return on fund assets would be 9.5%, that the rate of salary increases would be 7.0% and that past and future pensions would increase by 5.0%.

The total pension costs for the Company were £553,000(1993 £768,000) which together with the pension costs of other subsidiaries in the group schemes were assessed by qualified actuaries based on the latest actuarial assessment.

A provision of £705,000 (1993 £644,000) included within provisions for liabilities and charges represents the excess of pension costs over the amounts actually contributed to the external funds of the group schemes.

20 LEASE COMMITMENTS:

The Company leases motor vehicles. The minimum rentals payable in the following year under the foregoing leases are as follows:

	1994 <u>£000</u>	1993 <u>£000</u>
Operating leases which expire		
- within one year	31	31
- within 2-5 years	175	246
	<u>206</u>	<u>277</u>
	=====	=====

21. GUARANTEE:

At 31 December 1994, the Company had guaranteed an amount of £540,000 (1993 £1,740,000) to HM Customs and Excise in regard to deferment of duty.
